

NO # 836-76

*DR*

NOTE FOR: General Walters

Dick:

The attached was pulled together for me by [REDACTED]. To your knowledgeable eye is there anything to this allegation of a pro-Nazi group hibernating in Chile, or is it the product of someone's over-active imagination?

STATINTL



George A. Carver, Jr.  
D/DCI/NIO

STATINTE

cc: NIO/LA  
Executive Registry

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**\*NSC Review Completed\***

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CHILE

25X1C

[REDACTED] a Nazi colony, known as La Dignidad, located at Parral about 200 miles south of Santiago on the Pan-American Highway. The colony was founded by former Luftwaffe pilots after World War II, and is run by Franz Pfeiffer Richter, head of the Chilean Nazi Party. The colony, with a population of about 250, covers an area of over 3,000 acres.

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[REDACTED] the colony maintains radio contact with other pro-Nazi groups in Chile, in other Latin American countries and in Europe.

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[REDACTED] that DINA maintained a detention center inside the colony. It is not known if this center is still functioning.

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[REDACTED] The former Luftwaffe pilots at La Dignidad maintain good contacts with the Chilean Air Force, and specifically with General Gustavo Leigh, the Air Force member of the Junta.

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6 May 1976

STATINTL

NOTE FOR: [REDACTED]  
Assistant NIO for Western Europe

Ray:

Attached is a note from the Director conveying a well deserved expression of thanks for the work you did and organized in getting together the briefing book on his trip to Europe and other steps you took in preparing him for that journey. As I was able to observe from watching you in action and reading the material, it was a typically splendid performance. (I am writing Ed Proctor separately to be sure that copies of this note go to [REDACTED]

STATINTL

George A. Carver, Jr.  
Deputy for National Intelligence Officers

Attachment

cc: Director of Personnel (for inclusion in OPF)

GACarver, Jr./kes

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Distribution:

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4 May 1976

STATINTL

[REDACTED]  
NIO/Western Europe  
Central Intelligence Agency  
Washington, D.C. 20505

STATINTL [REDACTED]

Please accept this much overdue thank-you for your excellent work in organizing the briefing book for my short trip to Europe at the end of March. Your essay on possible futures for the U.K. was most thoughtful, and suggested a number of useful points that helped [REDACTED] to put the observations of my hosts into context.

The essay by [REDACTED] and that of [REDACTED] also contributed greatly

STATINTL

to my understanding -- they were concise, well-written, and presented clearly the essential information I needed to comprehend the current forces at work in those countries.

In addition, I found the questions you prepared for possible use with my interlocutors just the ones I would have asked - if there had been any opportunity to do so during what proved to be a hectic five days devoted to getting to know people with whom I will be working. Therefore, I regret not having been in a position to come up with some answers for you and your colleagues: I trust that future visits of this sort will include some time for the kind of reflective discussions that should result in information helpful to you and all the others who are doing the real work of the Agency.

I would appreciate your conveying to all those who contributed to that fine briefing book both my thanks and my assurances that it was just right in the amount and kind of information, and that on future occasions I trust I will be able to exploit the same kind of good work with profit for all concerned.

Sincerely,

[REDACTED]  
George Bush  
Director

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6 May 1976

MEMORANDUM FOR: Director of Central Intelligence  
FROM : [REDACTED]  
George A. Carver, Jr.  
SUBJECT : The Management of National Production

The following proposal for the management of non-current national production has been developed jointly by Messrs. [REDACTED] and Carver and reviewed with [REDACTED]

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It reflects an approach on which all three of these officers agree and which they feel will take care of your concerns about present arrangements while preserving and improving a flexible instrument designed to help you discharge what are among your most important responsibilities: being the substantive fount of national intelligence.

1. Organizational Location: The entity managing national non-current production will be part of the Office of the Director of Central Intelligence, reporting directly to and being supervised directly by him. This entity and its head, however, will have to work continuously in close, cooperative concert with your Agency Deputy, your Community Deputy and their respective subordinates.

2. The Basic Building Block -- National Intelligence Officers: The basic conceptual building block of the new entity will be that of the National Intelligence Officers, essentially as they are now constituted but with some adaptation and modification.

a. Each NIO will be a senior staff officer (slotted at the GS-18 level or military equivalent) who will serve the DCI directly and speak in his name as his senior counsellor on that NIO's area of substantive responsibility.

- The mix of NIOs will be flexibly adjustable in accordance with the DCI's wishes. The number of NIOs and the apportionment of portfolios among them will depend on

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your perception of the DCI's needs and your concept -- at any given time -- of what are the major areas of substantive responsibility (functional or geographic) for which you want the support of a designated NIO.

- The NIOs will be used as a device to knit the Community together and also to bring in fresh thinking from outside the Community plus, where possible, outside the government. They will be drawn as much as possible from throughout the entire Intelligence Community, plus non-intelligence government components and, where feasible, the non-governmental world. In principle, NIO assignments will be rotational ones of two to three-year duration.
- The NIOs will not constitute a separate production office (see below). Each of them will serve you as an advisor in his or her specialty and as a coordinator who, acting on your behalf, can focus the resources of the entire Community on particular problems of major substantive importance.
- To minimize the risk of bureaucratic layering, each NIO will -- in principle -- be limited to one Assistant (at the GS-15/16 level or military equivalent) and one secretary. This rule might be adjusted in certain individual accounts, but the reasons for giving an NIO more than one Assistant would have to be exceptional and doing so would require your personal approval.

- b. The NIO structure will have a small editorial staff (three to five people) to assist in maintaining the quality of output.
- c. The NIO structure would also have a small reproduction facility to maintain flexibility and capacity to cope with requirements as they arise without unduly burdening the Agency's publications components.

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d. The NIO structure will be headed by a senior officer, who will have no other duties and who has your personal trust and confidence. In effect, he will be your deputy for national intelligence, though for any of a variety of reasons -- cosmetic, political or other -- you may care to give him some different title. He will report directly to you in the sense that he will not be subordinate to either of your two principal Deputies. (Should you develop the Chief of Staff concept, the ground rules for relations between the head of the NIO structure, the Chief of Staff and you yourself can be worked out at that time.) The head of the NIO structure will be accountable to you for the total work of that structure and the total quality of its performance. He will also be responsible for ensuring that, at any given time, the totality of requests for intelligence support levied on the intelligence community by policy level consumers through this structure do not overburden the system (thus inhibiting the effectiveness of its responses). When circuits are in danger of becoming overloaded, he will raise this problem directly with requesting consumers (or ensure that it is so raised) and endeavor to get them to refine their requests or put them in some priority order, advising you of the problems involved as appropriate and enlisting your help when necessary.

3. Responsibilities: The NIO structure will be responsible and accountable to the DCI for:

- a. The management of non-current national production including:
  - Formal National Intelligence Estimates and Special National Intelligence Estimates
  - National Intelligence Analytical Memoranda

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- Interagency Intelligence memoranda and studies
- Intelligence Alert Memoranda
- Other analyses and assessments of varying degrees of formality requested by senior consumers -- or commissioned to fill an obvious need which the consumers themselves might not clearly perceive -- whose preparation involves the work of more than one component of the Intelligence Community.
- b. Supervising the preparation of the DCI's substantive briefings to senior Executive Branch bodies (e.g., the National Security Council and its major subcommittees such as the Washington Special Action Group) and his substantive briefings to various Congressional committees.
- c. Providing a coordinating mechanism, operating in the DCI's name and on his behalf, to focus the talents and resources of all Community components involved on problems of particular importance, e.g., the work on Soviet collection now done by the NIO for Special Activities.
- d. Maintaining continual dialogue with senior consumers at the Assistant Secretary level or above, or their military equivalents, to ensure that their needs are identified, that they receive the best intelligence support obtainable to assist them in their policy duties, and to provide a channel for continuous feedback and two-way communication on intelligence matters. This responsibility will also entail the service function (in each major substantive area) of giving the policy level consumer one point of contact to which he can turn for any form of intelligence support, knowing that his request will be brokered to those elements of the Community best equipped to handle it.

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- e. Within the Intelligence Community, developing and maintaining continuous interaction and dialogue among all who work on any given substantive area -- collectors, analysts and producers -- so that they can get to know each other and all can benefit from the contributions of their colleagues.
- f. In the DCI's name, maintaining contact with knowledgeable experts outside the government in each major substantive area to improve the flow of ideas and ensure that intelligence production benefits from the best analyses and thinking attainable anywhere within the United States.
- g. Developing major substantive requirements through the operation of the substantive aspects of the Key Intelligence Question mechanism or whatever modified successor to that approach is endorsed by the present DCI. (In this sphere, and related areas, the NIOs will work closely with your Community Deputy and the latter's staff as outlined in paragraph 9 below.)
- h. Performing any other services the DCI wants them to perform, such as giving him an independent appraisal of the probable risks, benefits and chances of success of covert action proposals.

4. Production Mechanism:

- a. Except in rare instances, the NIOs would not function as a production office\* and the NIO structure would not include a drafting staff.

\* There could be (and have been) occasional instances where, on matters of great sensitivity, some senior official such as the President or his Assistant for National Security Affairs might want a substantive comment quietly prepared by only one person.

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products would be done by line officers drawn from the Community component or components best equipped to handle the particular project in question.\*

- c. The drafting of national products would be done under the supervision of the NIO responsible for the project in question. The draft produced would not be viewed as an institutional product, i.e., neither the office nor the component to which the drafter(s) belong would be bound by the draft or obligated to support it during the coordination process.
- d. After a draft has been produced and reviewed (see paragraph 5 below), it would be submitted to concerned line components for coordination and discussion. The precise nature of these coordination procedures would vary with the formality of the document -- NIEs and SNIES being the most formal. In every instance, however, line entities would have ample opportunity to express their views during the coordination process and the NIO responsible would be under an obligation to ensure that the final product fairly reflected significant differences of judgmental opinion when and where these occurred.\*\*

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\* The procedures for minimizing the disruption of line offices' work and erosion of line command jurisdiction entailed by this approach are outlined in paragraph 6.

\*\* Coordination between and among Intelligence Community components is an essential feature of the production of truly national products. The concept of coordination operative here, however, does not involve the development of consensus -- lowest common denominator -- judgments. Divergent views will be submitted, as they should be, to the clash of debate and argument among knowledgeable experts, but where significant differences of informed opinion remained unresolved on important issues, these differences will be clearly, even sharply, reflected in the final finished products so that policy level consumers can know that there are such differences, what they are, and what are their bases.

5. Collegial Review (The Intelligence Advisory Panel): One criticism of the current approach has been that national products do not, at any stage in their production, formally receive collegial scrutiny and review. This deficiency will be rectified by the following steps:

- a. The creation of an Intelligence Advisory Panel to the DCI. This Panel will consist of approximately three dozen people of extraordinary competence in key substantive areas, who are also articulate, logical and generally insightful. The members of this Panel would be drawn from within the Intelligence Community, the non-intelligence components of the government, and -- to the extent feasible -- the outside world: academia, industry, and even (if possible) the world of journalism.
- b. The optimum point in the production process for collegial review is after the basic draft is prepared and before it is circulated for coordination. Consequently, on each NIE/SNIE or other significant national product (unless deadlines make this absolutely impossible), three people will be picked from the Intelligence Advisory Panel to go over that particular product at that stage in its production.\*  
-- Arrangements will be made for the Panel members to have copies of the draft in sufficient time to go over them thoroughly in private.

\* Normally at least two of the three members of the Panel convened to review a particular paper (national product) will not be specialists in the subjects addressed in that paper. For example, an optimum panel to critique an estimate on German political developments would include a Sovietologist and an Economist -- plus, perhaps, a Far Eastern expert, who could subject it to critical scrutiny from the standpoint of a sophisticated outsider.

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-- After that, the three Panel members involved will meet in Washington and spend whatever time is necessary -- usually a day -- going over the draft of the national product with the NIO (and his/her Assistant), the project chairman and the drafters. They will critique the draft for adequacy, balance, objectivity, coherence and overall quality, ensuring that it addresses the right questions, is clear, is cogent, and takes proper account of ancillary issues and critical variables.

-- Membership on the Intelligence Advisory Panel would not entail a large expenditure of time over a prolonged period, but it would entail a willingness to work intensively for periods of short duration. The reason for having a Panel of approximately three dozen is to ensure that on any given national product, one could select three good reviewers appropriate to that particular project.

c. The Intelligence Advisory Panel will not only provide a mechanism for the most useful kind of collegial review; it can also serve as a vehicle for giving the DCI advice on the overall quality of the national production effort and engaging in that effort the best talent available in the United States. While the Panel would seldom, if ever, meet as a whole (except, perhaps, for an occasional ceremonial dinner), various members of it could and would be convened to participate in seminars or discussion groups critiquing the totality of our effort in various fields (as well as serving on troikas specifically reviewing specific papers).

d. Though the panel would be advisory to the DCI, its normal point of contact with the DCI's office would be the head of the NIO structure. The latter,

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in turn, would need a full-time special assistant (who could be styled the Panel's Executive Secretary) who would handle the details involved.

6. The Minimization of Line Disruption: Since the NIO structure will not have its own independent drafting staff and, hence, will be forced to borrow talent from line components, some intrusion on line offices is inevitable. The amount of this intrusion, however, can be minimized by the following steps:

- a. There will be created a steering group consisting of the head of the NIO structure and the heads of the major production components of the Intelligence Community (or their designees). This group will meet regularly to review the totality of the national production effort and ensure that the workload involved is properly and fairly distributed. This group -- or sub-committees it appoints for these purposes -- will keep production schedules and requests for specific projects involving extensive work under continuing review to ensure that the disruption to line components is minimized and that the tasking necessitated by requirements for national products is handled in the most efficient, least disruptive fashion possible.
- b. Each NIO will be specifically charged with levying his tasking requirements through the appropriate chain of command of the Intelligence Community component or components involved. The particular procedures used by each NIO with each individual Community component will be worked out with that component's head so that the NIOs make their contacts with his office in the way that component's head wants them made.

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- c. Any component head who feels that NIO-sponsored tasking is disrupting his office will be encouraged to take this matter up initially with the NIO involved, then with the head of the NIO structure and -- if that does not prove satisfactory -- directly with the DCI.
- d. The NIOs individually and the head of the NIO structure will work cooperatively with all component heads and will support any reasonable requests for additional resources these component heads feel are needed to handle requests for national products passed through the NIO structure.

7. Credit: Some measure of tension between staff entities and line components is inevitable, but the procedures just outlined will do much to minimize friction. One additional step, however, is also necessary in this sphere -- the proper apportionment of credit for work done by others:

- a. When a national product involves the work of more than one Intelligence Community component, identification of the offices and components contributing to it will appear in a prominent place on either the cover, the title page, or the first page of the work in question.
- b. In those instances (and there will be many) where a request from a senior consumer, passed through the NIO structure, in fact can be and is met by a product which is predominantly the work of a single Community component, that component will get full credit for the response. Usually, this will involve having the response printed as a product of the component which produced it and simply forwarded by note or buckslip from the NIO to the consumer, with the transmittal vehicle calling attention

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to the fact that the consumer's request was taken care of by the attached "CIA Memo," "DIA Memo," etc.

8. The CIA Relationship: One of the NIOs' main functions is to help knit the Community together as an organic whole and, in producing national intelligence, draw on the totality of Community resources. It is a fact of life, however, that the bulk of the Community's analytic talent (not all of it by any means, but nonetheless the bulk) is to be found in CIA, whose legitimate equities and interests must be protected for a variety of obvious reasons. Thus, the NIO/CIA relationship is both special and crucial. It must be symbiotic and in no way adversary. Arrangements will be worked out with your CIA Deputy to ensure that he is kept abreast of all of the use that the NIOs are making of CIA resources. These arrangements will take whatever form and follow whatever procedures are desired by your CIA Deputy. It will serve all interests to ensure that the CIA contributions to the process are not obscured in the assembly of a Community product.

9. Relations with the Deputy to the DCI for the Intelligence Community: Though the NIOs, under this concept, would not be a component of the IC Staff subordinate to the D/DCI/IC, the relationship between the NIO structure and the D/DCI/IC will obviously have to be a close and cooperative one -- particularly with respect to the DCI committees (formerly USIB committees) on whom the NIOs will have to draw and rely for many things and for which your Community Deputy has supervisory responsibility. The mechanics of this relationship will be worked out in a manner mutually agreeable to your Community Deputy, the head of the NIO structure and -- of course -- yourself.

a. These arrangements will be devised to ensure an improved, constructive and mutually supportive relationship between the NIO structure and the Intelligence Community Staff to

-- give your Community Deputy guidance with respect to basic needs, requirements, future perspectives, etc.

- help the D/DCI/IC strike the right balance between resources and substantive needs, matching the former to the latter wherever possible but arranging substantive needs in priority order in areas where resources are inevitably finite.
- assist the D/DCI/IC in his and his staff's evaluation work.

b. These arrangements will also be deliberately structured to minimize areas of non-productively overlapping responsibilities. The NIOs, for example, will be in continuous touch with consumers to stay abreast of their evolving needs; the IC Staff will be responsible for after-action evaluations of products and services -- but both will contribute to giving you overall assessments of the Community's total performance.

10. Support to the DCI: Under the concept here proposed, the NIO structure is an integral part of the DCI's office. There will, therefore, have to be continuing close contact between its head, your Agency Deputy and your Community Deputy (plus, if you create one, your Chief of Staff). All of these officers will endeavor to ensure, collectively, that you receive the most efficient and the best possible support in the discharge of all of your responsibilities and, hence, that you are able to give the President and his senior advisors products of the highest quality and, overall, the best intelligence in the world.

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George A. Carver, Jr.

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CONCUR:

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5 May 1976

25X1A      MEMORANDUM FOR: [REDACTED]

Mr. Proctor

SUBJECT : PFIAB Study

1. Attached is a copy of the paper submitted to the PFIAB by the three-man subcommittee -- chaired by Bob Galvin -- which the Board appointed last December to scrutinize the Community's performance in strategic estimates. As you know, the other two members of the subcommittee are Drs. John Foster and Edward Teller.

2. In my opinion, it is essential that we not be unduly defensive in reacting to this document or in any way convey the impression that we are loathe to consider innovative procedures which might improve the quality of our strategic assessments. On the other hand, some of the concrete proposals advanced by the Board would be extremely difficult to accommodate without prostituting the whole intelligence process. This applies particularly to the proposal (about which the Board feels very strongly) for a "competitive analysis group" which would be tasked with preparing -- on certain selected issues -- what would in effect be an alternative estimate to 11-3/8-76.

3. The basic problem is the fact that the Board's concrete recommendations derive from a perception of what intelligence is and ought to be which is quite different than ours -- and in this case, I am personally convinced we are right and the Board, wrong. The game (unintentionally) is given away in three sentences in the NIE Evaluation Committee's paper:

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- "...whether or not a particular technical judgment in the NIE is correct or incorrect is less significant than whether the document illuminates for a busy decision maker the range of threat possibilities and their implications relative to his special responsibilities." (Paragraph 6, pp 2-3).
- [One of the four purposes an NIE serves is to] "Support Congressional authorization and appropriation proceedings." (Paragraph 17b, p. 6. A similar thought is echoed in paragraph 29 on page 9: "...during Congressional hearings, the NIE may present serious problems to Defense officials whose programs are based on different threat appraisals.")
- [NIEs] should be measured by whether they stimulate policy makers to face up to hard decisions in sufficient time to make a difference and by the thoroughness with which threats, uncertainties and alternatives have been illuminated." (Paragraph 34, p. 11).

4. What the Board wants is a national estimate which will set forth all the things -- especially the unpleasant things -- which the Soviets could or might do, without any estimative judgments about the relative probability of the Soviets achieving these various goals or pursuing these alternative lines of behavior. The real reason (I think) why some members of the Board are pushing for "the competitive estimate" by a group composed of at least some persons outside the Intelligence Community is that they want to be sure that the total package includes all the worst case possibilities that can be thought of. Under the approach the Board is recommending, the President and his senior policy advisors will simply have this range of possibilities laid before them, hence, powerful arguments could be advanced that the only responsible course to follow to protect the nation's interests would be to hedge against the worst case threats, and NIEs developed through the recommended procedure would serve as ammunition supporting such a pitch. If our nation's resources were infinite, this

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might be an intellectually defensible thesis. They are not, however and, hence, it isn't. This procedure would leave the decision maker at the mercy of technical shamans with no basis for ascertaining which of these shamans' analyses or predictions were more credible than their competitors'.

5. Per our discussion at the 5 May Executive Committee meeting, I urge that copies of the attached paper not -- repeat not -- be circulated. Its language, in many places, is outrageous and (with reason) would be taken as deeply offensive by many hardworking professionals who are fully conscious of their own fallibility but have devoted their careers to providing our government with the most objective and balanced assessments attainable by mortals operating with less than total information. Bob Galvin, an eminently decent person trying to do a very serious job, is most anxious to avoid initiating a paper war for reasons I consider obvious, commendable and entirely persuasive. I plan to talk quietly with him in order to try to separate the concrete recommendations -- several of which are well worth trying -- from the philosophy behind some of them which we cannot endorse. I am reasonably confident that through quiet dialogue we can develop a set of experiments which may actually prove helpful, will put the DCI in the posture of being responsive to the board and which, at the same time, will not sacrifice our principles or things all of us believe in very deeply.

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George A. Carver, Jr.  
Deputy for National Intelligence Officers

O/D/DCI/NIO:GACarver/kes

Distribution

Orig: [REDACTED]

1 - [REDACTED]

1 - Mr. Proctor

1 - DCI (copy of Galvin note to Carver only)

1 - D/NIO Chrono w/att ✓

1 - PFIAB file w/att

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THE WHITE HOUSE  
WASHINGTON  
PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD

N10/S

S/T

29 April 1976

Dear George:

Johnny and I are very appreciative of your having met with us yesterday, and for the constructive spirit of our discussions regarding the work of the Board's Intelligence Estimates Evaluation Committee.

As promised, attached is the basic report and, for the purpose of implementing its recommendations, a draft National Security Council Decision Memorandum, and the summary comparison of NIE 11-3/8-74 with NIE 11-3/8-75.

Sincerely,



Robert W. Galvin

Mr. George Carver  
Deputy to the DCI for  
National Intelligence Officers  
CIA Headquarters Building  
Room 7E62  
Washington, D. C. 20505

Downgrade to Unclassified upon removal of  
enclosures.

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THE WHITE HOUSE  
WASHINGTON

1 April 1976

A Review of  
THE NATIONAL INTELLIGENCE ESTIMATES  
on  
SOVIET FORCES FOR INTERCONTINENTAL CONFLICT  
(NIE 11-3/8 series)  
and of  
THE INTELLIGENCE ESTIMATING PROCESS  
by the  
NIE Evaluation Committee of the  
President's Foreign Intelligence Advisory Board

Robert W. Galvin, Chairman  
Edward Teller, Member  
John S. Foster, Jr., Member

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EXEMPTION CATEGORY (§ 1.10, (1), (3) or (4))  
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A. Background

1. Since its establishment in 1956, the President's Foreign Intelligence Advisory Board has been vitally concerned with the adequacy of strategic intelligence. This traditional concern was given sharpened focus when President Nixon, in March of 1969, assigned to it the task of providing a yearly threat assessment in order to supplement the regular intelligence assessment.
2. The key observations in previous assessments which the Board has made of the strategic threat include:
  - a. Expressions of confidence in short-term (two-year) force predictions, while noting concern with the inadequacies of longer range projections, and caution regarding pessimistic estimates of Soviet low altitude air defense capabilities and Soviet antisubmarine warfare potential.
  - b. A consistent underscoring of the number of wide gaps in US intelligence capabilities that continue to leave major uncertainties as regards missile accuracies, doctrine and tactics, and nuclear weapons targeting policies of the Soviet Union.
  - c. A repeatedly declared conviction as to the ". . . imperative need for an interdepartmental mechanism to conduct net evaluations of the strategic capabilities and vulnerabilities of the US and USSR." The term most commonly used to describe this kind of analysis is "net assessment."
3. In early August 1975, the PFIAB met with President Ford and supplied him with a letter of record dated 8 August, attached as Appendix A, which advised him of the PFIAB's perception of deficiencies in NIE 11-3/8-74 and which suggested certain improvements. These were:

a. Perceived Deficiencies

(1) NIE 11-3/8-74 is seriously misleading in the presentation of a number of key judgments and in projecting a sense of complacency unsupported by the facts; as a consequence, it is deficient for the purposes it should serve.

(2) Judgments in critical areas are made with the force of fact although the cumulative evidence is conflicting, often flimsy and in certain cases, does not exist. These critical areas include estimates of Soviet ICBM accuracy; Soviet developments in antisubmarine warfare; and Soviet capabilities against US bombers.

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(3) The NIE gives the appearance of a net assessment and thus the added weight of "operational" consideration when in substance it is not. For example, it assumes the survivability of the US command and control apparatus and accepts unproven data regarding US silo hardness.

b. Suggestions for improving the NIE process:

(1) Selected aspects of intelligence considered critical by key decisionmakers should be subjected to analysis which is conducted separate from and competitive with the analysis performed by the intelligence community; the alternate views developed should be presented to the President and other key users. The competitive analysis function should be directed by the DCI using governmental and private sector expertise.

(2) The NIE should avoid to the extent possible the appearance of being a "net assessment." Indeed, the intelligence community should generate a "purely intelligence document" following which and together with the Departments of State and Defense, and under the aegis of the National Security Council, a genuine net assessment should be produced. Ultimately, the net assessment should be critiqued by an independent entity.

4. At the conclusion of the briefing to the President, he asked that specific proposals for implementing the suggestions be submitted as soon as possible.

5. Pursuant to the President's request, on 15 August, the Board staff developed proposals based on the 8 August letter to implement the aforementioned suggestions on a trial basis using the mechanism of a National Security Decision Memorandum (NSDM). However, as a consequence of DCI Colby's strong exceptions, implementation of the test was not pursued.

6. In a letter to Admiral Anderson of December 2, 1975, DCI Colby stated that the Board's letter ". . . might cause the President to suffer an erroneous impression of the accuracy and seriousness of the 1974-75 strategic forces NIEs." Accordingly, DCI Colby prepared a refutation of the major findings which was provided to the President and to his Assistant for National Security Affairs. The DCI's rebuttal, attached as Appendix B to this report, is factually incorrect in a number of areas. However, more important in the Committee's view, is that it misses the central thrust of the Board's efforts and intentions: whether or not a particular technical judgment in the NIE is correct or incorrect is less significant than whether the document illuminates for a busy decisionmaker the range of threat possibilities and

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their implications relative to his special responsibilities. The Board had concluded that the NIE did not adequately perform this function and that the NIE process was not structured to encourage it; our suggestions to cultivate competition in analysis and in judgment formulation with respect to a few key intelligence issues were aimed at fulfilling this purpose.

B. The Assignment of the NIE Evaluation Committee

7. Stimulated by DCI Colby's exceptions to the Board's letter of 8 August, the Assistant to the President for National Security Affairs (General Scowcroft), by memorandum of 4 December, asked the Chairman of the PFIAB to comment on the suggestion that the Board review NIE 11-3/8-75 (Soviet Forces for Intercontinental Conflict through the mid-1980s) and ascertain the extent to which this NIE overcomes deficiencies which the Board perceived in NIE 11-3/8-74, the estimate on the same subject for the preceding year. The Board was requested to report its findings to the DCI and to the NSC staff, and to discuss specific courses of action.

8. The Board staff responded to General Scowcroft's 4 December memorandum and advised that Admiral Anderson had appointed an ad hoc committee composed of Mr. Robert W. Galvin as chairman, and Dr. John S. Foster, Jr. and Dr. Edward Teller as members to review and report on the subject.

C. Modus Operandi

9. The NIE Evaluation Committee has devoted the past four months to an intensive review of the NIEs regarding Soviet strategic forces, and more generally, to the process of intelligence estimating. This review has encompassed:

a. Individual discussions with approximately 40 authorities including:

(1) Intelligence analysts and senior level managers from most entities within the intelligence community;

(2) Users of intelligence estimates; such as those involved in US force planning and in arms limitation and disarmament negotiations; and

(3) Private citizens, well informed regarding US-Soviet strategic relationships.

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b. A study, which was commissioned by Mr. Galvin and performed by representatives of the Deputy to the DCI for National Intelligence Officers (Mr. George Carver), to address the intelligence community's 10-year track record in strategic estimating. This study was briefed to the full Board during the February meeting and written copies were provided for detailed examination. Important elements in this study are commented on in paragraph 30 below; the conclusions of the study have been extracted and are attached as Appendix C to this report.

c. Several discussions between the Committee members themselves, involving a review of what the Board has had to say about NIEs in the past and a careful reconsideration of what the Board proposed to the President on 8 August.

10. This report contains a number of observations made to the Committee by a variety of people interviewed. In documenting these comments, care has been taken to be as accurate as possible, without regard as to whether the views expressed are agreed with. The Committee believes that certain views have great significance irrespective of their objective validity, but simply because of the stature or position of the person espousing them and the sincerity and conviction with which they were stated.

D. Note of Appreciation

11. Special mention is deserving of the cooperative and forthright attitude of intelligence community personnel who quickly and unfailingly responded to all Committee requests and greatly aided its efforts. Clearly, the people involved in the NIE process are talented, dedicated, loyal Americans who sincerely desire to produce the best intelligence estimate possible. The Committee's judgments, however critical they may appear, are in no way intended to impugn the motivations and overall competence of these extremely hard-working professionals.

E. Comparison of NIE 11-3/8-75 with NIE 11-3/8-74

12. Both NIEs are very professional documents in their organization, presentation of data and readability. They demonstrate tremendous effort and coordination by and among many departments. As a work product which reflects the consequences of careful planning in the employment of sophisticated collection and analysis systems and the use of multiple disciplines in a coherent way, the NIEs are, as one authority put it, a "tour de force."

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of responsiveness to certain of the intentions in the Board's 8 August letter. However, it should be noted that the production of the Strategic Forces NIE is a year-long endeavor with a November publication deadline. The 1975 edition was well along in August with little opportunity then to effect major changes, even if the authors had been persuaded as to the merits of the Board's recommendations.

14. Some changes that were evident are:

- a. Acknowledgment of improvements in Soviet ICBM accuracies; expanded discussion of the difficulties inherent in antisubmarine warfare; narrowing of the time period within which the Soviets might achieve an effective low altitude air defense system.
- b. Expansion and more prominent positioning of dissenting views.
- c. An enlarged key judgments section which attempts to clarify the degrees of uncertainty regarding various issues.
- d. The term "interactive analysis" is used in lieu of "net assessment," and a statement is included which clarifies the meaning of interactive analysis and which says it is not a net assessment.

15. These changes are noted and appreciated but the improvements are considered to be minor, relative to the overall significance and impact of the NIE. The Board's primary concerns are not yet accommodated. A summary of changes as relates to deficiencies noted in the Board's letter appears in a chart attached as Appendix D.

#### F. Questions Put to the Authorities Surveyed

16. In the Committee's discussions with the authorities, we pursued answers to the following kinds of questions:

- a. What purposes does the NIE serve?
- b. How do principal users view its adequacy?
- c. What is their level of confidence in it?
- d. Are the major threat issues illuminated?
- e. What are the major criticisms of the NIE?

f. Is the level of effort involved in producing an annual NIE the most effective investment of intelligence community resources?

g. Could efforts at improving the process be attempted concurrent with, and so as not to disrupt, the normal production cycle?

#### G. Responses to the Survey

17. Responses to the question, "What purposes does the NIE Serve?" are worth singling out; in the Board's 8 August letter we had identified four purposes:

- a. Guide the formulation of Defense force levels and R&D.
- b. Support Congressional authorization and appropriation proceedings.
- c. Underpin arms limitation negotiations.
- d. Shape the thought processes of policy makers regarding strategic relationships.

DCI Colby's letter of 2 December, 1975, emphasized two additional purposes:

- e. To provide warning of various things the Soviets might do; and
- f. To provide warning of various things the Soviets are not likely to do within given time-frames.

Finally, during the course of our inquiry, we heard such purposes as:

- g. To keep the lid on defense spending by minimizing the threat.
- h. To help rationalize an Administration's foreign and domestic policies.
- i. To project US perceptions of Soviet capabilities to our allies.

Regretably, because of cited purposes such as the last three, many of the authorities look upon the NIE process as corrupt and upon the product as less than believable. (It is notable that among those who volunteered the above opinion, several complimented DCI Colby for greatly encouraging the inclusion of dissenting views in the estimating process and thereby contributing to a significant improvement in the product.)

18. Most users do not find the information in the NIE timely and those who require current information do not rely upon it. Indeed, some in this category do not read the document because they know that it does not reflect the latest intelligence. Depending upon the reader's particular interest area, the contents are considered either too technical or insufficiently detailed. A number of readers who said the NIE was useful, when pressed for specifics, said that while they did not rely on "judgments" they did find the graphics to be very helpful as ready references to details of weapon systems characteristics. In striving to satisfy multiple purposes, the net effect seems to be that the document masters none completely.

19. Some readers in very important policy formulation positions indicated a belief in the validity of certain technical judgments -- on the assumption that the raw data must have been carefully evaluated by independent, objective standards which were agreed to by the "experts." A few, sophisticated readers expressed confidence in the technical analysis at the lowest levels, but believe that summaries thereof -- the process of hammering out compromises, accommodating divergent views, etc. -- result in generalized "mushy" statements devoid of meaning in a technical sense. These remarks suggest that the concept of "technical uncertainty" is not adequately conveyed.

20. Many readers acknowledged that NIE judgments are biased by agency or service prejudices -- but shrugged this off as an inevitable consequence of bureaucratic life. Thus, many key judgments in the NIE are not only not accepted, but are viewed cynically. These readers believe the NIE cannot express judgments which would be considered "too far from an acceptable climate of opinion." The dissents were viewed as exercises in polemics and the "high-low-best" estimates are seen as merely additives of a given number in order to accommodate divergence (e.g., the controversy over the Backfire bomber).

21. Many readers expressed the belief that a good deal of intelligence data as well as information on US forces is not made available to the analysts or has not been accurately addressed, and is therefore not factored into the estimate (e.g., results of high-level negotiations between US-USSR personnel; sensitive intelligence regarding Soviet antisubmarine warfare developments; information regarding US submarine operations; vulnerabilities in US command and control; accurate data on Minuteman silo hardness).

22. Several readers, including people who have been exposed to NIEs over a period of years, as analysts and as members of the United States Intelligence Board (USIB) which approves the final product, expressed the belief that most USIB principals are not competent to evaluate the highly technical data

which is essential to the formulation of the estimate. USIB principals were described as ". . . managers of organizations who have neither the time, training or experience in the variety of disciplines incorporated to do more than superficially review some of the available evidence."

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23. A number of readers expressed the belief that information and judgments which do not fit comfortable patterns, or which are contrary to an agency's inherent biases, are usually rejected from the final product. The recent CIA intelligence estimate which nearly doubled the agency's previous estimates of Soviet defense expenditures despite several years of substantial evidence and argument to the contrary, was cited as one example. (More than one "insider" observed that any estimate which in effect judged that US Minuteman or Polaris ICBM forces were vulnerable, would never be made by the intelligence community without prior clearance from the Pentagon.)

24. Some readers in policymaking positions expressed the view that they ascribe less value to a "pure" intelligence judgment than they would to an assessment of "consequences" of the intelligence. This would require extensive data regarding US forces and thus there was near uniform agreement that it cannot be performed by the intelligence community.

25. While most readers expressed agreement with the desirability of having net assessments, one senior official opined that this function, particularly with respect to strategic relationships, is so complex as to be beyond the competence of any group in existence or which might be formed. He suggested that university-level scholarship be encouraged and funded -- but not controlled -- by the government in disciplines relating to the USSR and PRC. One element of governmental assistance would be the provision of raw intelligence data collected over the years but never analyzed.

26. A senior analyst acknowledged that because of ad hoc pressures there are enormous "opportunity costs" that limit thoughtful analysis. This person estimated that as a result, perhaps only 5% of the analysts are forced to carry the major responsibilities. An example cited was the annual Strategic Forces NIE and the National Intelligence Daily, two documents requiring enormous effort, much of which is focused on "cosmetics," or non-substantive matters because these are highly visible products of the intelligence community.

27. An individual in a senior key position indicated that a most welcome kind of analysis -- not presently being received -- would be for 2-3 experts to present their views as to the. . .

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Consequences to Soviet society flowing from a Brezhnev decision to rapidly develop a strategic counterforce capability. What indicators would appear to alert US decisionmakers that such a decision had been reached?

28. The response to questions regarding user confidence in the NIE did not vary greatly: the high mark was a 75% level of confidence over the next two years in the accuracy of weapons systems characteristics; this declined to 50% confidence beyond that time-frame, a rating which was admittedly achievable by flipping a coin.

29. A former senior government official said that especially in the strategic arms limitations area the NIE 11-3/8 series is viewed as the "par" or standard of judgments regarding US-USSR strategic relationships, against which any differing views must be rationalized. In this sense, the "power of the first draft" is valued very highly since judgments are difficult to change. Moreover, during Congressional hearings, the NIE may present serious problems to Defense officials whose programs are based on different threat appraisals.

#### H. Ten-Year Track Record in Strategic Estimating

30. Certain observers hold the strong belief that the NIEs over the years have been required to avoid the appearance of overstating any threats which could be used to justify higher military spending. The Board itself has perceived that the NIE 11-3/8 series minimizes the Soviet threat and strategic potential of the USSR. As noted in paragraph 9.b. above, the Committee asked the Deputy to the DCI for National Intelligence Officers for a 10-year track record study in strategic estimating; the 9-page summary of conclusions has been extracted, highlighted and is attached as Appendix C. The Board's perception of consistent underestimation in the NIEs is supported by a number of the points in this study, which are paraphrased below:

a. Estimates in the mid-1960s "... failed to foresee the degree to which the Soviets would not only catch up to the US in number of ICBMs but keep right on going. The 1966 five-year estimate projected that the Soviets would have between 805 and 1079 ICBMs. The actual count for 1971 was 1475. There was a similar failure to recognize that the Soviets would want -- and demand in negotiating the Interim Agreement in 1972 -- more than the 35-50 modern ballistic missile submarines which the estimates took to represent rough parity with the US."

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b. "The NIEs overestimated Soviet concern about provoking new US deployments or force improvements and were overimpressed with the problem the Soviets faced in achieving and retaining full equality with the US."

c. "The estimates failed to warn of a number of qualitative improvements such as missile accuracy, throwweight and modernization of launch control facilities."

d. "The estimates of the mid and late 1960s failed to convey an adequate sense of the determination of the Soviets to build up sizable force and war fighting capabilities."

e. The 1972 estimate ". . . gives the impression that Soviet acceptance of the 1972 SALT accords involved greater Soviet interest in a stabilized strategic relationship and a greater concern to avoid action which might jeopardize detente than proved to be the case."

f. On the other hand, the NIEs overestimated: (1) Soviet willingness to deploy antiballistic missile defenses beyond Moscow; (2) surface to air missile force goals; and (3) force goals of two classes of interceptor aircraft.

Our view is that these categories of overestimation are far below the magnitudes of importance of the categories in which underestimation prevailed.

#### I. Conclusions/Recommendations

31. The Committee has been struck by how frequently important judgments in the NIE (often labelled "best") are based on very incomplete or partial information and by the fact that most users are not conscious of the often flimsy basis on which these judgments are based. We note that policymakers are not normally aware that a key judgment (as, for example, survivability of the US Minuteman force) may in large measure be based on incredibly complex analysis which only a very few people are competent to understand, and regarding which serious disagreement may exist. Extrapolation of the technical analysis to the level of "key judgment" and the uncertainties extant throughout this process are obscured in the NIE and are unknown to the policymaker.

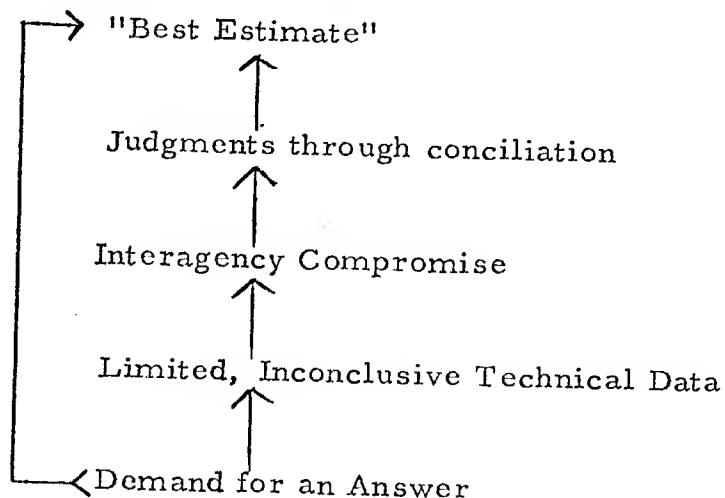
32. Despite the NIE's disclaimer of intention to perform a net assessment, many of the key judgments cannot help but leave a reader with a sense that some degree of net evaluation has been performed. For example, Soviet ASW is estimated to be inadequate for the next 10 years to threaten our

deployed Polaris submarines. This judgment is in part predicated on assumptions regarding US submarine capabilities and operational procedures. Additionally, Soviet ICBMs are estimated as being highly unlikely to threaten US Minuteman ICBMs by the end of the 1970s. This judgment is in part predicated on assumptions regarding US silo hardness. In neither instance is the intelligence community authorized to challenge the assumptions regarding US capabilities. Moreover, both judgments should involve -- but within the NIE do not involve -- a serious appraisal of the effectiveness of US command, control and communications systems. The Committee does not fault the intelligence community, but again notes the essentiality to the decisionmaker of having net evaluations performed on these critical issues.

33. There are common threads which run through the remarks made by the variety of people interviewed: the NIE 11-3/8 series in particular and the estimating process in general are not highly respected for their power to authoritatively and conclusively appraise threats; although the collection of data and the presentation of facts are admirable, the NIEs themselves are regarded as composites of consensus judgments achieved through a process of arbitration and conciliation; external observers as well as members of the intelligence community believe that institutional pressures shape the purposes of the NIE, and the interpretation of data and formulation of judgments therein. NIEs breed degrees of disbelief. An unbelieved estimate is ignored, misused and challenged for political as well as technical reasons.

34. The generally negative receptivity regarding the NIE 11-3/8 series which the Committee encountered is serious, regretable and alarming. NIEs should indeed signify the very best that our system of intelligence can offer. They should be eagerly awaited (and thoroughly read) by policymakers. There should be absolutely no question regarding their purposes, utility or relevance. Attitudes of key people in government on complex issues should be significantly influenced by intelligence estimates. The NIEs should command uniform respect as major contributors to the conduct of national security affairs. Their success should be measured by whether they stimulate policymakers to face up to hard decisions in sufficient time to make a difference and by the thoroughness with which threats, uncertainties and alternatives have been illuminated.

35. An analysis of why the NIE 11-3/8 series does not meet the above criteria should begin with the intelligence consumer. The essential question is: "What does the consumer want?" The Committee observed that there are many different needs among a wide variety of consumers; these may range from short, concise statements of factual data (e.g., photographic intelligence which counts missile silos), to the best judgment of a group of analysts who comment on Soviet strategic objectives, to detailed appraisals of what is known and what is not known regarding weapon system capabilities. In certain cases, and with particular reference to the task of evaluating Soviet capabilities for intercontinental conflict, we judge that the user frequently demands one answer or one best judgment, or is so perceived by the intelligence community. The intelligence community responds with its "best effort," even in those cases where the data available does not permit a single answer or judgment or where the user actually needs alternate interpretations; thus unrealistic user demands (sometimes expressed and sometimes assumed) and a compliant intelligence community result in a product that ultimately does not satisfy and which cannot withstand serious challenge. The following chart depicts that relationship -- among many -- where the consumer demands "an answer."



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36. Clearly, an effort should be made to make which truly critical issues are analyzed and reported to decisionmakers. Accordingly, the Board's proposal of last August, that the DCI create an experimental competitive analysis group, should be pursued. This holds attraction for its modesty and potential. The Committee's belief is that a competitive environment would make the most of situations where the intelligence community only has incomplete or partial information, because a range of judgments would be derived rather than a single judgment labelled "best." In this structure, perhaps there would be two or three judgments with the choice of what to accept (or which mixture of each) left to the decisionmaker. We do not believe competition of this character can be fostered wholly within the intelligence community (as, for example, by encouraging DIA and CIA to compete with each other) and that to expose weaknesses in the estimating process, "outsiders" who are given access to current information are necessary. The competitive process would hopefully sharpen the use of language, illuminate differences, uncertainties and consequences. We propose that the Board again suggest the implementation of an experiment in competitive analysis and net evaluation which was proposed to the President last August.

37. Recognizing that the exchange of correspondence initiated by the Board's 8 August letter contributed to a resentment of the views expressed therein rather than to an acceptance of the helpful spirit in which it was tendered, no additional formal correspondence is recommended at this time. In particular, this report should not be circulated outside of Board channels.

38. We recommend the Chairman advise General Scowcroft that the efforts of the NIE Evaluation Committee in response to his letter of 4 December, have been completed; that such views were presented to the full Board at its April meeting during which a consensus was expressed that the Committee discuss its observations with the Committee on Foreign Intelligence (CFI) at the earliest practicable date. (The CFI was created by President Ford in his "omnibus" Executive Order of 18 February 1976, for the purpose, *inter alia*, of establishing policy priorities for the collection and production of national intelligence. The membership is: The Director of Central Intelligence (George Bush), who serves as Chairman; the Deputy Secretary of Defense for Intelligence (Robert Ellsworth); and the Deputy Assistant to the President for National Security Affairs (William Hyland). Although the CFI is not

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responsible for the production of substantive intelligence, the cooperation of its principals must be secured if the Board's recommendations are to be implemented.) A memorandum for the Chairman's signature which proposes such a meeting is attached as Appendix E.

39. Assuming the CFI is receptive to the Board's views, a National Security Decision Memorandum (NSDM) to implement the suggestions should be considered. A draft is attached as Appendix F.

40. In addition to the above conclusions and recommendations which are of primary relevance to our task, the following collateral items were adduced during the interviews and committee discussions, and are offered for consideration:

a. The subject of Soviet intentions, objectives and tactics in the broadest sense is deserving of more comprehensive treatment than it now receives in NIE 11-3/8. Perhaps a separate NIE on this central topic should be commissioned.

b. Consideration should be given to establishing a small (no more than six), part-time group of "elder statesmen" who, under the DCI's aegis, would review and comment on selected NIEs or on other crucial intelligence products -- prior to publication and after being given full access to all of the evidence used by the analysts in formulating their appraisals.

c. A thorough study should be made to determine whether the intelligence community has an affirmative obligation to declassify and provide information to the public. As a related matter, whether the intelligence community should be required, upon the publication of each annual strategic forces estimate, to specify in the document which of the key judgments it is willing to be held publically accountable for five years hence, should also be considered.

d. The question of the time period to be covered by the NIE 11-3/8 series should be reconsidered in light of the consumer's desire for timely information and in view of the limitations of the intelligence community with regard to accurate, long-term predictions.

e. The Board should consider encouraging policymakers and decisionmakers to schedule oral intelligence briefings on topics of interest as principal means of receiving intelligence. The purpose would

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be to develop a direct relationship with the knowledgeable intelligence officer, and cultivate a better understanding between the user and the producer.

f. The intelligence community should reassess the function of the NIE, the variety of readership that must be served, and the kinds of topics that are most important to each. For example, in lieu of a single NIE on Soviet offensive and defensive forces for intercontinental conflict, it may be preferable to place greater analytic emphasis on addressing narrower topics in varying degrees of detail, depending upon the principal audience of interest.

g. Awareness of the efforts of this Committee served as a stimulus for a number of activities by the intelligence community with regard to observations in the Board's letter of 8 August 1975. The full Board should consider establishing an "NIE Evaluation Committee" as a permanent body of the PFIAB and, to aid in the maintenance of "fresh ideas," the membership should be rotated periodically.

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April 1976

National Security Decision Memorandum

TO: The Secretary of Defense  
The Secretary of State  
The Director of Central Intelligence

SUBJECT: National Intelligence Estimates

The President has received the views of his Foreign Intelligence Advisory Board on the inadequacies it perceives in the National Intelligence Estimates (NIEs) on Soviet Forces for Intercontinental Conflict (11-3/8 series); on the process of formulating intelligence estimates; and on its suggestions for improvements.

The Board commented on certain functions of intelligence -- that of analyzing and communicating uncertainties in order to alert decision-makers to the critical choices they must make -- and noted that the process of intelligence estimating should be subjected to continuing review and experimentation. The Board observed that when factual data regarding core issues is limited or not available, the development of opposing views and alternative interpretations should be demanded and given equivalent visibility in the estimates; further, that it is of extreme importance to underscore the gaps in our knowledge and the degree and nature of the uncertainties attendant to key judgments.

With respect to the NIEs on Soviet Forces for Intercontinental Conflict, the Board noted that fundamental to an understanding of the potential consequences of the threat is a net evaluation of the strategic capabilities and vulnerabilities of the US and USSR. This should be performed by an entity that includes representatives of the Departments of State and Defense as well as the intelligence community.

The President has directed that the Board's suggestions for improvement be implemented, on a trial basis, in the formulation of this year's NIE on Soviet strategic forces. Specifically, it is directed that:

-- The Director of Central Intelligence establish as an experiment a new competitive analysis group working parallel to the established estimating process; this group will consider a limited number of selected issues; the product of the competitive group and that of the established

estimating process shall be presented as alternate findings in the NIE;

-- A "Special Review Board" under the DCI, composed of intelligence community representatives and private sector experts in the areas of consideration, shall evaluate the alternate findings in terms of their usefulness and adequacy for serving the needs for principal decisionmakers;

-- To initiate the foregoing, the Committee on Foreign Intelligence submit a list of the most critical intelligence issues (e.g., Soviet ICBM accuracy, Soviet ASW, Soviet strategic objectives) to the Assistant to the President for National Security Affairs who will select three for immediate assignment to the DCI's competitive analysis group;

-- The Interdepartmental Political-Military Group establish an ad hoc Net Evaluation Working Group to be chaired by the Department of Defense; the Assistant to the President for National Security Affairs will select and assign certain of the issues to the Working Group for the performance of net evaluation; the Working Group will submit its product to the Chairman of the Under Secretaries Committee;

-- The Under Secretaries Committee initiate an independent, thorough critique of each net evaluation produced, and forward the results to the President.

The President desires to review progress towards achieving these objectives with his Foreign Intelligence Advisory Board during its 3-4 June 1976 meeting.

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THE WHITE HOUSE  
WASHINGTON  
PRESIDENT'S FOREIGN INTELLIGENCE ADVISORY BOARD

FINDINGS AND RECOMMENDATIONS OF THE NATIONAL  
INTELLIGENCE ESTIMATES EVALUATION COMMITTEE

Summary

I. Based on four months of effort, which included: discussions with approximately 40 authorities in and out of the intelligence community; a review of the IC's 10-year record in strategic forces estimating; and reconsideration of the Board's perception of deficiencies in NIE 11-3/8-74, in the light of NIE 11-3/8-75, the Committee finds that:

A. The NIE 11-3/8 series is not highly respected for the power to sharply illuminate the range of threats and their implications relative to the decisionmakers' responsibilities. These Estimates are widely regarded as representing consensus judgments achieved by arbitration and conciliation wherein institutional pressures shape -- and corrupt -- the purposes of the NIE and the interpretation of data therein. Thus, the NIEs breed degrees of disbelief and are often ignored, misused and challenged for political as well as technical reasons.

B. Fundamental to an understanding of potential consequences is a net evaluation of the strategic capabilities and vulnerabilities of the US and USSR. The IC is not constituted to perform this kind of analysis, yet certain NIE judgments involve a net assessment and the user may thus be led to believe that such analysis has been conducted.

C. The generally negative receptivity is serious, regrettable and alarming. The NIEs should signify the very best that our system of intelligence can offer; they should command uniform respect as major contributors to the conduct of national security affairs.

D. In assessing why the NIE 11-3/8 series is deficient, we judge that the user frequently demands one answer or one best judgment or is so perceived by the IC which then responds with its "best effort" even where the data available does not permit a single answer or where the user actually requires alternate interpretations. Thus, unrealistic user demands (sometimes expressed and sometimes assumed) and a compliant IC result in a product that ultimately does not satisfy.

II. The Committee has also reconsidered the Board's earlier suggestions for experimenting with means of improving the NIE process, as expressed to the President on August 8, 1975, and concludes that:

A. In the belief that a competitive environment would make the most of situations where the IC only has incomplete information, an experiment in "competitive analysis" under the DCI should be undertaken with respect to a few critical issues (e.g., ICBM accuracy, Soviet ASW, Soviet strategic objectives). A competitive group composed of government and non-government experts should address these issues in parallel to the regular NIE process with full access to all relevant data.

B. The results of this process should be subjected to a net evaluation under the aegis of the National Security Council conducted by an entity which includes the Departments of State and Defense as well as the IC. Ultimately, the net evaluations should be critiqued by the Under Secretaries Committee and the results forwarded to the President.

III. In addition to the foregoing, the following collateral items were also adduced:

A. Soviet intentions, objectives and tactics deserve more comprehensive treatment, perhaps in a separate NIE.

B. The DCI should consider establishing a small (no more than six), part-time group of "elder statesmen" who, with full access to all of the evidence, would review selected NIEs prior to publication.

C. A study should be made to determine whether the IC has an affirmative obligation to declassify and provide information to the public, and whether the IC should specify which of the key judgments in the NIE it is willing to be held publicly accountable for five years hence.

D. The IC should reassess the function of the NIE, the variety of readership that must be served and the kinds of topics most important to each; it may be preferable to place greater analytic emphasis on a narrower range of topics in lieu of a single NIE on Soviet offensive and defensive forces for intercontinental conflict.

IV. An Intelligence Estimates Evaluation Committee should be made a permanent body of the PFIAB, with a rotating membership.

SECRET

LHO:gs

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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D. C. 20505

National Intelligence Officers

3 May 1976

STATINTL



Many thanks for your welcome and gracious note of 20 April which I should have answered long ago. You have done this institution and our government a great service during the past year, in helping the former to survive in a way that minimizes the damage done to its capabilities to serve the latter. Also, you have been great company in trying times.

As can be no secret to one as perceptive as you, your arrival was regarded by this closed and at that time somewhat beleaguered society with rather mixed emotions heavily tinged with skeptical suspension of judgment. The emotions now are not mixed at all, because you have become not only a trusted counselor and valued friend but quickly became accepted, for yourself, as a member of the clan.



With warmest regards.

STATOTHR

Sincerely,

STATINTL

George M. Carver, Jr.  
Deputy for National Intelligence Officers



**CENTRAL INTELLIGENCE AGENCY**

WASHINGTON, D. C. 20505

*OFFICE OF THE DIRECTOR*

April 20, 1976

Mr. George Carver  
Central Intelligence Agency  
Washington, D. C.

Dear George:

Last June, when it was finally agreed that I would come to Langley, I had my share of initial misgivings about coming into a strange environment and undertaking the defense of an institution I knew little about. Your genuine warmth and unstinting cooperation, however, quickly dispelled those moments of unease.

As this representation draws to a close let me thank you for your many kindnesses and hope that our paths will cross in the years to come. The one thing that I heard on Capitol Hill with frequency was that we are a Nation of laws not men. This is not completely true. We are a Nation of laws and men and it is men like you that make the difference.

Cheers,

STATINTL

